

➤ Product Overview: ***Giant PCs***

Freddie Mac Giant PCs are single-class pass-through securities that enable investors to manage their portfolios more efficiently by consolidating smaller PCs into larger Giant PCs. Introduced in 1988, Giant PCs have become very popular with dealers and investors because they are an efficient and profitable way to aggregate production and investment portfolios. Freddie Mac offers fixed-rate Gold Giant PCs, adjustable-rate (ARM) Giant PCs and GNMA-backed Giant PCs.

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Investor Benefits

Lower Borrowing and Security Administration Costs

Giant PCs lower internal processing and accounting costs because it is easier to track the balance and monitor the monthly payments for one pool. In addition, wiring a single Giant pool is more economical than wiring many pools. Because administration and transaction costs are lower for larger pools, dealers and financial institutions typically charge lower financing rates.

Attractive Pricing

The Freddie Mac Giant PC program allows an investor to combine odd lots into one pool to achieve more standardized pricing on an unpaid balance of \$1 million or more. They also provide better repurchase financing by improving an investors' ability to negotiate lower borrowing costs.

Increased Market Liquidity

Since their introduction to the market in 1988, Giant PCs have become a very liquid and marketable product. Larger Giant PCs are generally more attractive to the market than smaller pools, and are more likely to meet the Securities Industry and Financial Markets Association (SIFMA) “good delivery” guidelines.

Ease of Execution

Guidelines for forming Freddie Mac Giant PCs are based on predetermined pooling combinations. For more information please visit Freddie Mac's Web site at www.FreddieMac.com/mbs/html/product/giants.html.

Custom Pooling

Giant PCs can be used to structure pools with specific characteristics, such as a pool with greater geographic diversity or conversely combining many similar pools to get a specific geographic concentration.

Types of Giant PCs

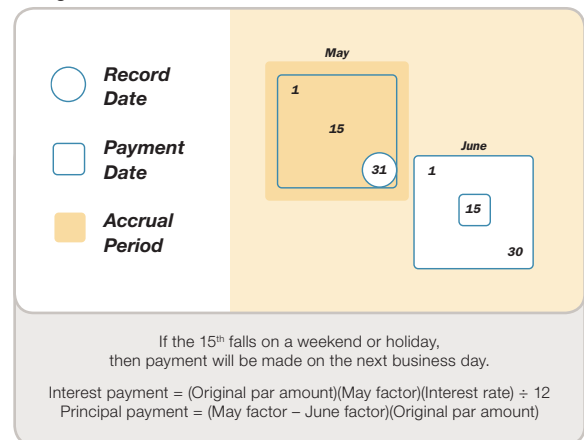
Fixed-rate Gold Giant PCs

Newly issued, fixed-rate Giant PCs are Gold Giant PCs with the corresponding Gold PC payment cycle of 45 days. Fixed-rate Giant PCs pay principal and interest on the 15th of each month to the holder of record as of the close of business on the last day of the preceding month. See Figure 1.

Formation Guidelines:

- Newly formed Gold PC pools are eligible for fixed-rate Gold Giant PCs the same day they are settled with the exception of the last business day of the month.
- Previously formed Giant PCs are eligible collateral for new Giant PCs.
- For assistance with the execution of a Giant PC and fixed-rate pool eligibility requirements, please call (800) 366-2572 or visit Freddie Mac's Web site at www.FreddieMac.com/mbs/html/product/giants.html.

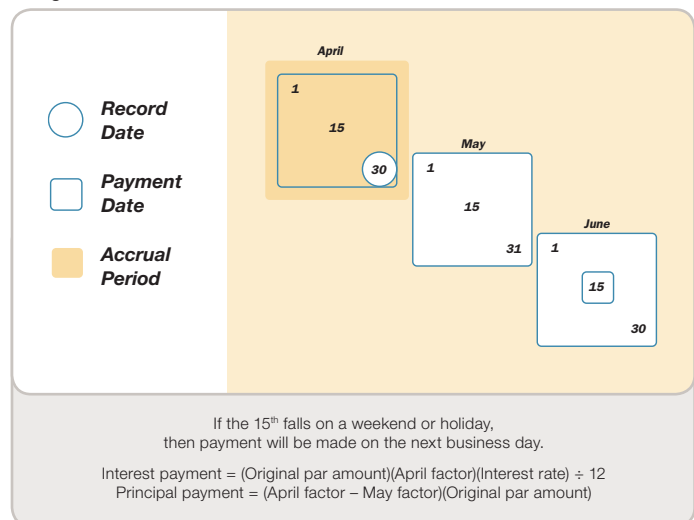
Figure 1



ARM Giant PCs

All ARM Giant PCs bear interest at a pass-through coupon that adjusts monthly based on the weighted average of the interest rates of the underlying PCs. The PC coupon is expressed as an exact decimal truncated to three decimal places. The mortgages underlying a specific ARM Giant PC may have different adjustment rates. ARM Giant PCs pay principal and interest on the 15th of each month to the holder of record as of the close of business on the last day of the month two months prior to payment. See Figure 2.

Figure 2



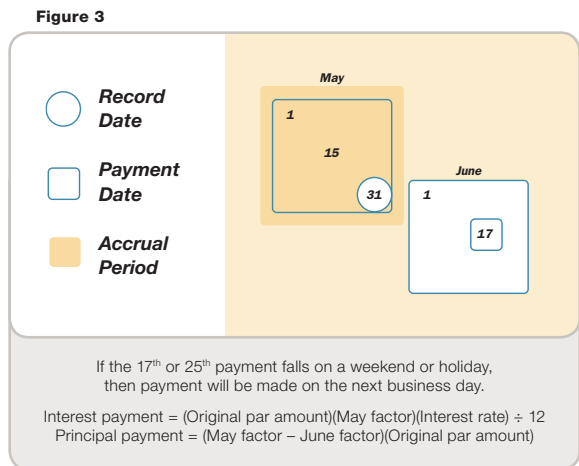
Formation Guidelines:

- WAC ARM PCs and previously formed ARM Giant PCs can be combined into the same ARM Giant PC.
- For assistance with the execution of an ARM Giant PC and ARM pool eligibility requirements, please call (800) 366-2572 or visit Freddie Mac's Web site at www.FreddieMac.com/mbs/html/product/giants.html.

GNMA-backed Giant PCs

Freddie Mac issues single-class Freddie Mac Giant PCs backed by GNMA securities. Eligible collateral for GNMA-backed Giant PCs include fixed-rate 30-year or 15-year GNMA certificates and GNMA-backed Giant PCs.

When creating a GNMA-backed Giant PC, investors can elect a payment date of either the 17th or the 25th of the month. Payment can be made through the FED. The payment cycle for GNMA-backed Giant PCs with a 17th payment date is shown in Figure 3.



Investor Tools

Freddie Mac takes pride in providing timely customer support. A variety of resources are available to provide investors with the most comprehensive information about Freddie Mac's mortgage-backed securities products.

■ **Transaction Managers**

Freddie Mac supports the Giant PC process using transaction managers in its Mortgage Funding department. To speak with a transaction manager about Freddie Mac's Giant PC program, call toll-free at (800) 366-2572.

■ **Investor Inquiry (800) 336-3672 or Investor_Inquiry@freddiemac.com**

Speak with a knowledgeable securities information specialist available from 9:00 a.m. to 5:00 p.m. EST, Monday through Friday.

■ **www.FreddieMac.com/mbs**

Visit Freddie Mac's Web site for quality information about Freddie Mac securities including product information, CUSIP lookup, mortgage securities data, subscription services and legal documentation.

■ **Bloomberg (FMAC <GO>)**

Experience the wide range of information available on Freddie Mac's Bloomberg site including structured product fees, structured product guidelines, Giant prefix eligibility and other mortgage securities issuance reports.

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timely customer support”

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